RECORDING REQUESTED BY:

Saddleback Valley Unified School District 25631 Peter Hartman Way Mission Viejo, CA 92691

AND WHEN RECORDED, MAIL TO:

Saddleback Valley Unified School District 25631 Peter Hartman Way Mission Viejo, CA 92691

Exempt from Recording Fees: Govt Code 27383 & 6103 Saddleback Valley Unified School District

This Space for Recorder's Use Only

AGREEMENT BETWEEN SADDLEBACK VALLEY UNIFIED SCHOOL DISTRICT AND MERITAGE HOMES OF CALIFORNIA, INC.,

(SCHOOL FACILITIES FUNDING AND MITIGATION AGREEMENT BY AND BETWEEN
SADDLEBACK VALLEY UNIFIED SCHOOL DISTRICT AND
MERITAGE HOMES OF CALIFORNIA, INC.)

SCHOOL FACILITIES FUNDING AND MITIGATION AGREEMENT BY AND BETWEEN SADDLEBACK VALLEY UNIFIED SCHOOL DISTRICT AND MERITAGE HOMES OF CALIFORNIA, INC.,

THIS SCHOOL FACILITIES FUNDING AND MITIGATION AGREEMENT ("Mitigation
Agreement") is made and entered into as of this day of,
2015 by and between SADDLEBACK VALLEY UNIFIED SCHOOL DISTRICT of Orange
County, California ("District"), a school district organized and existing under the laws of the State
of California ("State") and Meritage Homes of California, Inc., a California corporation
("Developer"). District and Developer may hereinafter be referred to individually as "Party" and
collectively as "Parties."

RECITALS

- A. District is responsible for providing classroom capacity for students in kindergarten through the twelfth grade ("K-12") who reside within the District.
- B. Developer is under contract to acquire that certain undeveloped real property ("Property") located in the County of Orange ("County"), and within the boundaries of the City of Lake Forest ("City"), and all within the boundaries of District. The Property is described on Exhibit "A" and depicted on Exhibit "B", both attached hereto and incorporated herein by reference. Developer has filed with the City Tentative Tract Map No. 17810 for the Property which is attached hereto as Exhibit "C" (the "TTM").
- C. Developer intends to develop the Property with up to 52 dwelling units (the "Units") after receiving all necessary approvals from the City (the "Project"). Developer shall pay the District, at or prior to the issuance of a building permit for any particular Unit, the Mitigation Amount established in Section 4 for all Units actually constructed on the Property.. Any remodeling, renovation, addition, or redevelopment of the Units after their initial construction (collectively referred to as "Subsequent Work") shall be subject to any and all applicable statutory school fees for such development at the then-current rate assessed by District. If any new construction on the Property ("New Construction") or Subsequent Work increases the total number of residential units on the Property to more than 52 or otherwise adds buildings to the Property, Developer shall pay, at or prior to the issuance of any building permits, to the extent required by law, any and all applicable statutory school fees for such development at the then-current rate assessed by District.

- D. The purpose of this Mitigation Agreement is to provide the District with funds to be used for construction and/or improvements of school facilities.
- E. The funds to be paid by Developer for the school facilities may represent a substantially greater payment by Developer for such school facilities than is required by California law.
- F. District and Developer have agreed that given the uncertainties of the timing and amount of State funding for the school facilities ("State Funding"), it is in their mutual best interest to enter into this Mitigation Agreement to provide a local source of funding for the school facilities in excess of the amount Developer would otherwise be required to provide in connection with the development of the Property.
- G. District acknowledges that it nonetheless has an obligation to utilize its best efforts to pursue State Funding for the school facilities to the extent herein provided.
- H. Developer's performance of this Mitigation Agreement is intended to constitute complete mitigation of the development of the Units as described in Recital C above. This Mitigation Agreement is entered into as a complete substitute for the payment of any and all fees which the District might lawfully impose in connection with such development of the Units pursuant to Education Code Section 17620 or Government Code Sections 65970, et seq. and 65995, et seq. or any other applicable law. Unless otherwise provided herein, this Mitigation Agreement also substitutes for the payments of any and all other school facilities requirements which the District, the County of Orange, the City of Lake Forest or any other public agency might be authorized to impose pursuant to applicable existing or future law (collectively, "School Fee Laws") with respect to the Units. Nothing in this Section shall limit the District's ability to seek additional payment of fees for any New Construction or Subsequent Work, as described in Recital C above.

AGREEMENT

- 1. <u>Incorporation of Recitals.</u> All of the foregoing Recitals are correct and are incorporated in this Mitigation Agreement by reference.
 - 2. Purposes of Mitigation Agreement. The purposes of this Mitigation Agreement

are to (1) satisfy all of Developer's actual and potential mitigation obligations with respect to school facilities and related impacts resulting from the development of the Units and (2) provide funding for the school facilities. By entering into this Mitigation Agreement and complying with its terms, Developer shall be deemed to have completely fulfilled and mitigated its entire obligation to assist in funding school facilities to house K-12 students enrolled in District schools as a result of development within the boundaries of the Units ("Project Students"). The projected number of Units identified in Recital C above will be fully mitigated and not subject to any school fees or other financial obligation owing to District except as provided otherwise in this Agreement.

3. <u>Effective Date.</u> Notwithstanding the date on which this Mitigation Agreement is recorded, it shall not become effective by its terms until the date (the "Effective Date") that the later of the following occurs: (1) execution by all of the Parties; and (2) Developer closing escrow and acquiring the Property. In the event this Mitigation Agreement does not become effective, it shall automatically become null and void and shall have no binding effect on the District.

District Covenants. District will issue on a timely basis (i) a certificate pursuant to Education Code Section 17620(b) acknowledging the fact that Developer has complied with all requirements of District for the payment of statutory school fees/alternative school facility fees/mitigation payments and (ii) a certificate acknowledging that adequate provisions have been made by the Developer or its successors and assigns to fulfil its mitigation obligations with respect to the Units. Therefore, except as expressly provided within this Mitigation Agreement, and provided that Developer is not in breach of this Mitigation Agreement, the District covenants that, with respect to the Units only, it will not under any circumstances or at any time:

- (a) exercise any power or authority (whether under Section 17620 of the California Education Code or any other provision of law) to levy or impose a fee, charge, dedication, or other requirement for the purpose of providing, funding, or financing the school facilities;
- (b) require the City or any other governmental entity to exercise or cooperate in the exercise of, the power under Title 7, Division 1, Chapter 4.7 of the California Government Code (commencing with Section 65970) or any other provision of law, to require the dedication of land, the payment of fees in lieu of the dedication of land, or both for school facilities;
 - (c) oppose any development within the boundaries of the Property on the basis of

inadequate school facilities; and

(d) seek mitigation or conditions of approval of any type for the Units, including, but not limited to, mitigation or conditions to require the payment of developer fees or any other money, the dedication of land, or the application of an assessment or requirement of any nature against Developer, subsequent owners, the Homeowners' Association, or any portion of the Property, other than the Mitigation Amounts contemplated herein, even if otherwise permitted by present or future State law, rulings, regulations, or court decisions if any of the proceeds or such assessment or requirement will be used to finance or fund the school facilities. This Section only applies to the Units and shall not apply to any Subsequent Work, New Construction, or any construction performed by any other party on the Property.

Notwithstanding anything in (a), (b), (c), or (d) above to the contrary, District shall not be prohibited by the terms of this Mitigation Agreement from subjecting the property within the Project to any increase in ad valorem real property tax pursuant to a District-wide general obligation bond election, formation of a school facilities improvement district, or imposition of a District-wide parcel tax which parcel tax is imposed to fund District operations; provided, however, that nothing herein shall be construed to constitute a waiver by Owner of its right or ability to dispute such proposed formation of a school facilities improvement district, imposition of a parcel tax, or passage of a District-wide general obligation bond.

4. <u>Mitigation Amounts.</u> Developer shall pay the District Eight Thousand Nine Hundred and Fifty Dollars (US\$8,950.00) (the "Mitigation Amount") for each Unit on a per unit basis no later than the issuance of a building permit for that Unit.

Developer's participation and cooperation in implementing this Mitigation Agreement is intended to be in lieu of any fees which District might have imposed on the Units pursuant to the School Fee Laws, which School Fee Laws authorize school districts to impose statutory or alternative fees on development projects as a method of mitigating project impacts on school facilities by funding the construction of school facilities. Developer and District recognize it is to their mutual benefit that District be provided with funds in order that school facilities and related services are available to Project Students. By entering into this Mitigation Agreement, Developer agrees that it is willing to contribute funds in lieu of any District statutory or alternative fees, if applicable, required by law in order to enable District to address the needs of the District, as well as to better serve the Project Students, which may result in payments by Developer in

excess of such statutory fees or alternative fees, if applicable. Accordingly, District acknowledges and agrees that, by fulfilling its obligations to District as set forth in this Mitigation Agreement, Developer will have mitigated fully the impact of the Project and the Units on the District. As stated above, the Mitigation Amount and this Section shall not apply to any New Construction or Subsequent Work. The Mitigation Amount is paid to mitigate the fees discussed herein as to the Units only.

Execution of this Mitigation Agreement and any and all payments, responsibilities, obligations or consideration made by Developer, and to the extent required herein, is made by Developer without protest. Developer and District acknowledge that Government Code Section 66020(d)(1) provides that local agencies, including school districts, shall provide a project applicant notice, in writing, at the time of imposition of fees, dedications, reservations, or other exactions, a statement of the amount of fees, or a description of the dedications, reservations, or exactions and a notification that the ninety (90) calendar day approval period in which the applicant may protest such fees has begun. Developer agrees that it has voluntarily entered this Mitigation Agreement and knowingly and willingly waives all rights of protest under Government Code Sections 66020, 66021 or 66022, or any other provision of law with respect to school fees and protest rights which are the subject of this Agreement, but Developer retains all such rights for new or additional school fees or protest rights for construction other than the Units which are not covered by this Mitigation Agreement. Developer agrees that in the event that a ninety (90) day approval period cannot be waived, this Mitigation Agreement and negotiation thereof includes a description of the exactions which have been required of Developer with respect to the Project. Developer further acknowledges that the ninety (90) calendar day approval period described above, in the event that such a waiver cannot be waived, will commence as of the date of this Mitigation Agreement.

Developer agrees that the payments provided for herein which are in excess of any amounts payable pursuant to California statute, law or regulation, if any, are not fees, charges, dedications or any other requirements within the meanings of such statute, law or regulation, but are completely voluntary payments made by Developer to allow for the acquisition, construction, supplementing and/or renovation of the school facilities in order to mitigate the impact of, and to enhance the marketability of, the Project. Nothing herein shall be construed to constitute a waiver by Developer of its right or ability to dispute and challenge actions taken or determinations made by District with respect to funding the school facilities pursuant to this Mitigation Agreement.

5. State Funding.

- (a) District shall use its best efforts to apply for and secure all reasonably available State and federal funding to provide additional funding for the school facilities. District will continue to apply for State and federal funding until District determines that receipt of such funding is no longer reasonably practicable for the school facilities.
- (b) In the event that District receives funds from the State to house existing and/or projected students generated from existing and/or future residential units constructed in the Property, Developer, or their successors or assigns, shall not be entitled to any refund as a result of said State Funds.
- 6. <u>Mitigation Agreement Unaffected By Changes in Law.</u> The Parties agree that each Party has negotiated in good faith to reach accord on this Mitigation Agreement, and as such, the Mitigation Agreement is a legally binding contract between the Parties, enforceable in accordance with its terms. The Parties further agree that, to the maximum extent permitted by law, this Mitigation Agreement shall not be affected, modified, or annulled by any subsequent change in local, state, or federal law.
- 7. Project Students; Attendance. The District has informed Developer that K-12 Project Students may not be able to attend the closest school to their neighborhood due to District operational issues. District shall use reasonable efforts to ensure that all K-12 Project Students have the option to attend the applicable school closest to their neighborhood, provided such school is not overburdened and such school is deemed available at the sole discretion of the District based upon District operational issues and policies. District will use reasonable efforts to expend, as soon as reasonably feasible and prudent, all school facility funds received pursuant to this Mitigation Agreement to construct or make improvements to schools which will be attended by Project Students. Notwithstanding the foregoing, Developer understands that the District's Governing School Board determines policy for school attendance boundaries and the timing of expenditures of funds in order to maximize District construction and modernization funds and therefore, nothing in this Agreement shall be interpreted as requiring the District to meet any deadlines to construct or improve school facilities or guarantee students have the option to attend the schools closest to their neighborhoods.
- (a) <u>Student Report</u>. Upon the initial sale of each Unit, Developer shall employ commercially reasonable efforts to request and obtain from the buyers: 1) the total number of

children 18 years old or younger who are currently residing in any of the Units and 2) each child's birthdate. Until the sale of the final Unit, Developer will provide such information, if available in writing to the District at least quarterly and at any time upon the District's request.

- 8. Representations, Warranties and Covenants of the District. District represents, warrants, and covenants with the Developer that:
- (a) District is a school district organized and operating pursuant to the Constitution and laws of the State and has all necessary power and authority to enter into and perform its duties under this Mitigation Agreement and, when executed and delivered by the Parties, this Mitigation Agreement will constitute the legal, valid, and binding obligation of District enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, or other laws affecting enforcement of creditors' rights generally.
- (b) The execution and delivery by the District of this Mitigation Agreement and compliance by District with its provisions will not conflict with, or constitute a violation of or default under, the Constitution of the State or any existing law, charter, ordinance, regulation, decree, order or resolution applicable to District, and will not conflict with or result in a violation or breach of, or constitute a default under, any contract, agreement, indenture, mortgage, lease or other instrument to which District is subject or by which it is bound.
- (c) To the best knowledge of District there is no action, suit, or proceeding of any court or governmental agency or body pending or threatened against District in any way contesting or affecting the validity of this Mitigation Agreement or contesting the powers of the District to enter into or perform its obligations under this Mitigation Agreement or in which a final adverse decision could materially adversely affect the operations of District or the consummation of the transactions contemplated by this Mitigation Agreement.
- (d) District is not in breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which District is a party or is otherwise subject, which breach or default would materially adversely affect District's ability to enter into or perform its obligations under this Mitigation Agreement, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument and which

would materially adversely affect the District's ability to enter into or perform its obligations under this Mitigation Agreement.

- (e) District acknowledges that Developer may choose to pay the Mitigation Amounts referred to in Section 4 above by way of bond proceeds and District agrees to reasonably cooperate in providing documentation that will assist Developer in funding such bonds at no cost, liability, obligation or expense to District. However, Developer's obligations to pay the Mitigation Amounts shall not be reduced, eliminated, or altered in any way should Developer be unable to collect bond proceeds.
- 9. <u>Representations, Warranties, Covenants of Developer.</u> Developer represents, warrants, and covenants with the District that:
- (a) Upon acquiring the Property, Developer shall provide written confirmation that it is the owner of the Property, has the authority to enter into this Agreement, and shall indemnify the District from any claim arising from Developer's ownership of the Property. Unless and until Developer acquires the Property as contemplated herein, any and all obligations or duties assigned to the District shall not be enforceable and District may charge any and all fees applicable to any activity, including construction activity, on the Property.
- (b) Enforcement of this Agreement as to the District is contingent on Developer demonstrating it has all necessary power and authority to enter into and perform its duties under this Mitigation Agreement. When executed and delivered by the Parties, this Mitigation Agreement will constitute the legal, valid, and binding obligation of Developer, enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, or other laws affecting enforcement of creditors' rights generally. Developer also represents and warrants that it has the authority to enter into this agreement as the owner or intended owner of the Property and shall defend and indemnify the District in the event any claim to ownership is made by any other party, including any claim made by the previous owner of the Property who sold the Property to Developer.
- (c) The execution and delivery by Developer of this Mitigation Agreement and compliance by Developer with its provisions will not conflict with, or constitute a violation of or default under, the Constitution or laws of the State of California, or any existing law, charter, ordinance, regulation, decree, order or resolution applicable to Developer, and will not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture,

mortgage, lease, or other instrument to which Developer is subject or by which it is bound.

- (d) Developer will provide written notice to successors or assigns of Developer of the existence of this Mitigation Agreement and their obligation to be bound by its terms unless and until this Mitigation Agreement is recorded against the Property.
- 10. Assignability of Mitigation Agreement; Successors. All of the covenants, stipulations, promises, and agreements contained in this Mitigation Agreement by or on behalf of, or for the benefit of, either of the Parties shall bind or inure to the benefit of the successors and assigns of the respective Parties. Developer (and Developer successor(s)) may assign this Mitigation Agreement, or any or all of such party's rights or obligations under this Mitigation Agreement, to an "Affiliate" of such party (or to a lender who has advanced funds for the Project, as additional security for such loan). As used herein, an "Affiliate" shall mean (a) any entity in which the assigning Party has a direct or indirect ownership interest of fifty percent (50%) or more; or (b) any entity that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with the assigning Party, where the term "control" shall mean the power to direct the management of such entity through voting rights, ownership or contractual obligations.
- 11. <u>No Third Party Beneficiaries.</u> This Mitigation Agreement is entered into solely for the benefit of the Parties and the successors, transferees and assigns of all Parties. Other than District and Developer and their successors, transferees and assigns, no third person shall be entitled, directly or indirectly, to base any claim or to have any right arising from, or related to, this Mitigation Agreement.
- 12. <u>Entire Agreement.</u> This Mitigation Agreement, including recitals, contains the entire agreement and understanding concerning the funding of school facilities to house students generated by the development of the Project and mitigation of the impacts of development of the Project on the District and supersedes and replaces all prior negotiations and proposed agreements, written and oral, except as they are incorporated into this Mitigation Agreement. The Parties acknowledge that neither the other Party nor its agents nor attorneys have made any promise, representation or warranty whatsoever express or implied, not contained herein to induce the execution of this Mitigation Agreement. Each Party further acknowledges that this Mitigation Agreement has not been executed in reliance upon any promise, representation or warranty not contained herein.

- 13. Amendments Must Be In Writing. This Mitigation Agreement may not be amended, except by a writing signed by all of the Parties. The Parties recognize that it may be necessary to make revisions to this Mitigation Agreement after execution by the Parties. Therefore, the District delegates to the Superintendent the authority to approve amendments to this Mitigation Agreement which do not substantially affect the terms of this Mitigation Agreement.
- 14. <u>Disputes To Be Arbitrated; Default; Cure; Remedies.</u> The Parties desire to resolve any disputes as to the meaning of any portion of this Mitigation Agreement or the rights or obligations of District or Developer under this Mitigation Agreement as quickly as possible. Therefore, any such disputes shall be resolved by binding arbitration conducted by a mutually agreed upon arbitrator. If District and Developer are unable to agree on the arbitrator within thirty (30) calendar days of the receipt of a request for arbitration, they shall request that the presiding judge of the Orange County Superior Court designate one. District and Developer shall each pay one-half the cost of the arbitration and each shall be responsible for its own attorneys' fees and costs as to any such arbitration.

A Default by either Party shall not exist until the party asserting a Default ("Non-Defaulting Party") provides written notice to the party alleged to be in Default ("Defaulting Party") specifying the nature of the Default and the actions, if any, to be taken by the Defaulting Party to cure or remedy the Default ("Default Notice"). The Defaulting Party shall have 30 calendar days from receipt of the Default Notice within which to cure the Default (the "Cure Period") and, if it fails to do so within that period, it shall be deemed in Default, and the Non-Defaulting Party may exercise any rights or remedies available under this Mitigation Agreement or by law (including the right to specifically enforce this Mitigation Agreement); provided, however, that if the nature of the Default is such that it cannot reasonably be cured within 30 calendar days, the Defaulting Party shall be afforded reasonable additional time so long as it commences such cure within the Cure Period and diligently pursues such cure to completion. "Default" used herein shall have the meaning of any material or substantial failure by a party to perform its obligations or responsibilities under this Mitigation Agreement. Minor or technical breaches or deviations from the terms of the Mitigation Agreement that do not materially affect the rights or obligations of the parties shall not constitute a Default. In the event Developer fails to perform its obligations hereunder, or otherwise materially breaches one or more provisions of this Mitigation Agreement, and such failure remains uncured following issuance of a Default Notice by District, the District may withhold Certificates of Compliance to Developer or any merchant builder constructing Residential Units until such time as Developer cures such Default. This

right to withhold shall apply during the Dispute Resolution Process contemplated herein.

15. Recovery of Litigation Expenses, Including Attorneys' Fees. Except as provided

in Section 14, if it becomes necessary to enforce any of the terms of this Mitigation Agreement,

the prevailing party shall be entitled to reasonable attorneys' fees and other costs of litigation in

addition to any other relief to which it may be entitled.

16. <u>Interpretation Guides.</u> In interpreting this Mitigation Agreement, it shall be

deemed that it was prepared by the Parties jointly and no ambiguity shall be resolved against

either Party on the premise that it or its attorneys were responsible for drafting this Mitigation

Agreement or any provision thereof. Headings used in this Mitigation Agreement are for

convenience and ease of reference only and are not intended nor may be construed as a guide

to interpret any provision of this Mitigation Agreement.

17. Due Authority of Signatories to Execute Agreement. Each individual signing this

Mitigation Agreement warrants and represents that he or she has been authorized by

appropriate action of the Party which he or she represents to enter into this Mitigation

Agreement on behalf of the Party.

18. Due Notices. All notices and demands between the Parties shall be given by

personal delivery, registered or certified mail, postage prepaid, return receipt requested, Federal

Express or other reliable private express delivery, or by facsimile or email transmission, to the

addresses, fax numbers and email addresses below. Such notices, demands or

communications shall be deemed received upon delivery if personally served or sent by

facsimile or email or after three (3) business days if given by other approved means as specified

above. Notices, demands and communications shall be sent:

To District:

Saddleback Valley Unified School District

25631 Peter Hartman Way

Mission Viejo, CA 92691

Fax: 949.454.1039

Attn: Assistant Superintendent of Business Services

Email: partidag@svusd.org

With a copy to:

Atkinson Andelson Loya Ruud and Romo

005650.00006 12956582.1 11

12800 Center Court Drive, Suite 300

Cerritos, CA 90703

Attn: Andreas C. Chialtas

Email: achialtas@aalrr.com

To Developer:

Meritage Homes of California, Inc.,

1250 Corona Pointe Court, Ste. 210

Corona, CA 92879

Attn: Kenneth Kim

Email: Kenneth.Kim@meritagehomes.com

With a copy to:

Jackson DeMarco Tidus Peckenpaugh

2030 Main Street

12th Floor

Irvine, CA 92614

Attn: Gregory P. Powers

Email: gpowers@jdtplaw.com

With a copy to:

Meritage Homes of California, Inc.

8800 E. Raintree, Suite 300

Scottsdale, AZ 85260

Attn: Regional Counsel

19. <u>Time.</u> Time is of the essence of each and every term, provision, and condition of this Mitigation Agreement.

- 20. <u>California Law Governs Mitigation Agreement.</u> This Mitigation Agreement and all rights and obligations arising out of it shall be construed in accordance with the laws of the State of California.
- 21. <u>Counterparts.</u> This Mitigation Agreement may be signed by one or more counterparts which, taken together, shall constitute one original document.
- 22. <u>Exhibits.</u> All Exhibits attached hereto are incorporated into this Mitigation Agreement.
- 23. <u>Recordation/Covenant Running With Land</u>. This Mitigation Agreement shall constitute a covenant running with the land and upon the Effective Date of this Mitigation Agreement, Developer shall record this Mitigation Agreement against the Property.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, this Mitigation Agreement is agreed and entered into as of the date first written above.

SADDLEBACK VALLEY	UNIFIED	SCHOOL
DISTRICT		

Ву: __

Name: Geri Partida

Assistant Superintendent of Business Services

Bv:

Name: Peter Vanek

Title: Director of Forward Planning

[PLEASE HAVE ALL SIGNATURES NOTARIZED]

APPROVED AS TO FORM:

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

Dv.

A notary public or other officer completing this verifies only the identity of the individual who s document to which this certificate is attached, a truthfulness, accuracy, or validity of that document to the contract of	signed the and not the	
instrument and acknowledged to me that he/s	ny evidence to be the person(s) whose name(s) is/are subscribed to the within she/they executed the same in his/her/their authorized capacity(ies), and that by a person(s), or the entity upon behalf of which the person(s) acted, executed the	
1	D. MONTOYA Commission # 2081419 Notary Public - California Riverside County My Comm. Expires Sep 12, 2018	
	This area for official notarial seal.	
	N - NOT PART OF NOTARY ACKNOWLEDGEMENT APACITY CLAIMED BY SIGNER	
Though statute does not require the Notary to fi documents.	ill in the data below, doing so may prove invaluable to persons relying on the	
INDIVIDUAL		
CORPORATE OFFICER(S) TITLE(S) PARTNER(S) LIMITED	GENERAL	
PARTNER(S) LIMITED ATTORNEY-IN-FACT	GENERAL	
TRUSTEE(S)		
GUARDIAN/CONSERVATOR		
OTHER		
SIGNER IS REPRESENTING:		
	Name of Danson or Forth,	
Name of Person or Entity	Name of Person or Entity	
Though the data requested here is no	N - NOT PART OF NOTARY ACKNOWLEDGEMENT of required by law, it could prevent fraudulent reattachment of this form.	
THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED BELOW		
TITLE OR TYPE OF DOCUMENT:		
NUMBER OF PAGES	DATE OF DOCUMENT	
SIGNER(S) OTHER THAN NAMED ABOVE	Developed by Siret American Tela Company 11/200	

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA)		
COUNTY OF <u>Orange</u>) ss:)		
On	idence to be the person(s) whose name(s) knowledged to me that he/she/they executed , and that by his/her/their signature(s) on the		
I certify under PENALTY OF PERJURY under th foregoing paragraph is true and correct.	e laws of the State of California that the		
WITNESS my hand and official seal. CHRISTINA BURRIS COMM. #2089455 Notary Public · California	Chustina Buris Signature of Notary Public		
[Seal] Orange County My Comm. Expires Nov. 9, 2018	- g,		
STATE OF CALIFORNIA)		
COUNTY OF) ss:)		
On, 2015 before me,(here insert name of the officer), Notary Public, personally appeared, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.			
I certify under PENALTY OF PERJURY under th foregoing paragraph is true and correct.	e laws of the State of California that the		
WITNESS my hand and official seal.			
-	Signature of Notary Public		
[Seal]			

STATE OF CALIFORNIA)
COUNTY OF) SS:)
On, 2015 before me, officer), Notary Public, personally appeared who proved to me on the basis of satisfactory er is/are subscribed to the within instrument and at the same in his/her/their authorized capacity(ies instrument the person(s), or the entity upon beh instrument.	vidence to be the person(s) whose name(s) cknowledged to me that he/she/they executed s), and that by his/her/their signature(s) on the
I certify under PENALTY OF PERJURY under to foregoing paragraph is true and correct.	he laws of the State of California that the
WITNESS my hand and official seal.	
	Signature of Notary Public
[Seal]	3

EXHIBIT A

Legal Description of Property

Fidelity National Title Company Order No.: 997-23035341-TC1

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LAKE FOREST, COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 13 OF TRACT NO. 13343, IN THE CITY OF LAKE FOREST, COUNTY OF ORANGE, STATE OF CALIFORNIA AS SHOWN ON A MAP RECORDED IN BOOK 647, PAGES 23 THROUGH 32 INCLUSIVE OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT AN UNDIVIDED HALF INTEREST IN AND TO ANY AND ALL MINERALS, WITHOUT LIMITATION, ALL OIL, GAS, HYDROCARBON AND SIMILAR RIGHTS, AND ALL WATER, WATER RIGHTS, GEOTHERMAL STEAM AND STEAM POWER, WITHIN OR UNDERLYING SUCH REAL PROPERTY, TOGETHER WITH THE PERPETUAL RIGHT OF DEVELOPMENT THEREOF; PROVIDED, HOWEVER, THAT THE RIGHTS HEREIN CONVEYED DO NOT INCLUDE THE RIGHT TO ENTER UPON THE SURFACE AND TOP 500 FEET OF THE SUBSURFACE OF SUCH REAL PROPERTY, AS PROVIDED IN DEED RECORDED JULY 3, 1979 IN BOOK 13215, PAGE 646, OFFICIAL RECORDS, AS INSTRUMENT NO. 3449.

ALSO EXCEPT AN UNDIVIDED HALF INTEREST IN AND TO ANY ALL MINERALS LOCATED WITHIN THE REAL PROPERTY HEREINAFTER DESCRIBED, INCLUDING, WITHOUT LIMITATION, ANY OIL, GAS, HYDROCARBON AND SIMILAR RIGHTS, AND ALL WATER, WATER RIGHTS, GEOTHERMAL STEAM AND STEAM POWER, WITHIN OR UNDERLYING SUCH REAL PROPERTY, TOGETHER WITH THE PERPETUAL RIGHT OF DEVELOPMENT THEREOF; PROVIDED, HOWEVER, THAT THE RIGHTS HEREIN CONVEYED DO NOT INCLUDE THE RIGHT TO ENTER UPON THE SURFACE AND TOP 500 FEET OF THE SUBSURFACE OF SAID REAL PROPERTY, AS PROVIDED IN DEED RECORDED JULY 3, 1979 IN BOOK 13215, PAGE 649, OFFICIAL RECORDS, AS INSTRUMENT NO. 3450.

APN: 610-371-02; 05

EXHIBIT B

Map of Property



EXHIBIT C

Tentative Tract Map

